

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
HARRISONBURG DIVISION**

**DEFENDANTS' REPLY TO RLI INSURANCE COMPANY'S
("RLI'S") RENEWED MOTION TO ENFORCE FINAL ORDER
AND FOR CONTEMPT SANCTIONS**

Defendants, NEXUS SERVICES, INC., LIBRE BY NEXUS, INC., and HOMES BY NEXUS, INC. (collectively, “Nexus”), hereby file this Reply to RLI’s Rebuttal to Renewed Motion to Enforce Final Order and for Contempt Sanctions.

RLI continues to assert that Nexus has the ability to pay the collateral security in full, yet it has failed to provide any evidence in support of this unsubstantiated claim. To the contrary, nothing could be further from the truth: in countless monthly financial submissions, and from testimony both in the August and February hearings, as well as in prior filings on these motions, Nexus has demonstrated its financial hardship—***including a 67% reduction in revenue since the start of the pandemic***—resulting in its inability to make the ordered collateral payments in one full lump sum.

Additionally, RLI continues to falsely assert that Nexus has no forward-looking plan to pay the remaining collateral security under the Order. (See ECF No. 787 at ¶ 4) Nexus's repeated efforts to discuss such plans with RLI through mediation, as encouraged by the Court, have all

been rebuffed. Taking the opportunity to do so here, Nexus renews its commitment to pay the remainder of RLI's injunctive relief balance in the coming months, *but in no event* later than November 30, 2022. Once the injunctive relief is fully paid, Nexus will then pay RLI the remainder of its damages and interest thereto.¹

Making the most recent one-million-dollar (\$1,000,000) payment to RLI within the last thirty days took extraordinary financing and effort. Further, the challenges in making this payment were only exacerbated while Nexus's primary payroll and operating accounts are being closed following contact between its bank and RLI. Nevertheless, even as RLI continues to avoid any mediated, common-sense business solution to this situation, Nexus unilaterally asserts to RLI and to the Court Nexus's commitment to pay the outstanding injunctive relief balance in the coming months, but no later than November 30, 2022.

At present, payment to RLI for every NTD under Section A(2) of the Court's Order has been paid (or has been processed for payment, in the case of the most recent NTDs), and Nexus continues to hold RLI harmless related to any future breaches. This is the status quo which should be maintained as Nexus arranges for payment of the remaining injunctive relief balance.

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¹ Despite RLI's injection of damages to this discussion about receivership (see ECF No. 787 at ¶ 5), it should be clear that an equitable receiver is not an available remedy to assist in the collection of *legal* damages where other collection methods remain available.

Respectfully submitted this 29th day of March 2022,

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CERTIFICATE OF SERVICE

I certify that on this 29th day of March, 2022, a copy of the foregoing was filed via CM/ECF, which will send a notification of such filing to all counsel of record.

By:

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